

COMSCINST 7130.3E	COG CODE N81	DATE 10 DEC 1990
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DEPARTMENT OF THE NAVY
 COMMANDER MILITARY SEALIFT COMMAND
 WASHINGTON NAVY YARD BLDG 210
 901 M STREET SE
 WASHINGTON DC 20398-5540

COMSCINST 7130.3E
 N8
 10 December 1990

COMSC INSTRUCTION 7130.3E

Subj: ADMINISTRATION OF HEADQUARTERS BUDGET

Ref: (a) COMSCINST 7130.4L

Encl: (1) Sample Fund Administration Record

1. Purpose. To establish procedures and designate responsibility for the administration of the COMSC Headquarters budget.

2. Cancellation. COMSCINST 7130.3D.

3. Definitions

a. "Budget" for purposes of this instruction denotes estimated expense planned to be incurred in a designated fiscal period.

b. "Funds administrator" is the director/special assistant or authorized representative who has administrative authority to incur expenses for designated accounts of the approved MSC Headquarters budget.

4. Policy. The budget serves as a management tool in the financial administration of MSC. It provides a means by which COMSC controls expenses and evaluates operational performance. Effective expense control in the day-to-day operations is essential for efficient budget administration. This is accomplished by assigning the responsibility for fiscal planning and for control of applicable accounts to the organizational unit most likely to incur the expense. Only the funds administrator is authorized to approve an obligation for expenditure of the expense accounts that have been assigned to them. Approval of the funds administrator is required before an action is initiated that in effect will result in an expenditure.

10 December 1990

5. Responsibility. The preparation and submission of the MSC budget are responsibilities of N8. Budgetary control of the budget accounts is the responsibility of the assigned funds administrator. Funds administrators also are responsible for the development of the initial budget estimates for the accounts that have been assigned them.

6. Accountability

a. Funds administrators will be informed of the amount approved for each applicable account by the Comptroller. Funds administrators are accountable for the proper obligation/ expenditure of funds under their cognizance. Under no circumstances will funds administrators permit an obligation to be incurred which will result in an overexpenditure without obtaining the prior approval and additional funding from N8.

b. In order to carry out their functions properly, the funds administrator should:

- (1) Be aware of the day-to-day operations affecting the funds under their control.
- (2) Analyze planned program expenditures before they are incurred.
- (3) Be able to recognize any deviation from planned operations.
- (4) Justify all variances.

c. Funds administration does not require involved record keeping; however, a record of obligations and expenditures is required. Enclosure (1) is furnished as a guide for setting up fund administrator records. Any other format that includes the following for each account is acceptable:

- (1) Approved budget for the year.
- (2) Phased portion of the approved budget for the fiscal year to date.
- (3) Obligations and expenditures for the fiscal year to date.
- (4) Adjustments for differences between the amount obligated and the amount actually expended.
- (5) Balance remaining in budget to be obligated.

10 December 1990

d. When it is determined that the balance in the budget for any account is not sufficient to cover necessary obligations for the remainder of the designated fiscal year, funds administrators must submit a request for additional funds to N8. The request will contain complete information as to the current status of the applicable funds together with justification for the increase requested.

7. Additional information. Funds administrators will be furnished with such detailed assistance as may be necessary for the administration of the portion of the budget under their cognizance. N8 is available at all times to advise and assist funds administrators in carrying out their duties.

8. Action. Funds administrators will implement the above for all areas assigned in reference (a).

Distribution:

COMSCINST 5000.19

List I (Case A, B)

List II (Case A, B)

10 December 1990

SAMPLE

FUND ADMINISTRATION RECORD
FY 19XX

ACCOUNT NAME: _____	PHASED BUDGET (2)
ACCOUNT NO: _____	1ST QTR <u>\$ 5,000</u>
APPROVED BUDGET: <u>\$20,000.00 (1)</u>	2ND QTR <u>\$ 5,000</u>
	3RD QTR <u>\$ 5,000</u>
	4TH QTR <u>\$ 5,000</u>
	TOTAL <u>\$20,000 (1)</u>

DATE (3)	TRANSACTION 1D (4)	AUTHORIZATION (5)	OBLIGATION (6)	EXPENDITURE (7)	AVAILABLE BAL
10/1	1ST QTR ALLOT	\$ 5,000			\$ 5,000
10/3	P0111111		200		4,800
10/4	P0111112		400		4,400
10/8	P0111113		1,000		3,400
10/9	P0111111 (FINAL)		(20)	180	3,420
11/3	P0111112 (PARTIAL)			200	3,420
11/11	P0111112 (FINAL)		10	210	3,410
12/5	P0111114		3,000		410
12/6	P0111113 (FINAL)		(20)	980	430
12/22	P0111115		200		230
1/2	2ND QTR ALLOT	5,000			5,230
1/4	P0111114		3,000		5,230

- NOTES:**
- (1) Approved FY budget from N8
 - (2) Phased budget for FY - Total equals (1)
 - (3) Date of transaction (approval and obligation or expenditure)
 - (4) Any identifier applicable to account, e.g., PO (Purchase Order) number, Contract Number, etc.
 - (5) Authorization increases available balance
 - (6) Obligations decrease or (increase) available balance
 - (7) Expenditures are recorded and netted against obligations to effect adjustments to obligations on final payment. Example:

For P0111112 initial obligations on 10/4 is \$400, reducing balance to \$4,400. Partial payment is made on 11/3 of \$200 with no effect on balance. Final payment is made on 11/22 of \$210 increasing obligation by \$10.

10/4	Obligation	= \$400
11/3	Partial payment	<u>(\$200)</u>
Remaining on record		\$200
11/22	Final payment	<u>(\$210)</u>
Increase in obligation		<u>(\$ 10)</u>

The opposite case is shown for P0111113 where initial obligation on 10/8 of \$1,000 was paid in final for \$980 on 12/6, decreasing obligation by \$20.

10/8	Obligation	= \$1,000
12/6	Final payment	<u>(\$ 980)</u>
Decrease in obligation		<u>\$ 20</u>

Change in obligations are handled in accordance Note (6).